

The Commonwealth of Massachusetts
Public Employee Retirement Administration Commission
John W. McCormack Building, Room 1101
One Ashburton Place Boston, MA 02108
(617) 727-9380

M E M O R A N D U M

TO: All Retirement Boards

FROM: John J. McGlynn, Executive Director

RE: CRAB Decision in McFarland v. State Board of Retirement

DATE: January 13, 1997

Attached is CRAB's decision in the above-referenced case. The State Board has informed this office that it does not intend to appeal the CRAB decision to Superior Court. Thus, it is a final decision. CRAB affirms the decision of the Division of Administrative Law Appeals to the effect that a member who transfers from one retirement system to another is entitled to purchase military service based upon ten percent of his or her annual compensation when he or she entered the first system for each year of military service sought. Boards must thus allow eligible members to purchase their military service under chapter 71 of the acts of 1996 based upon ten percent of their salary in the first retirement system in which their continuous membership commenced.

Please note that members who take a refund of their accumulated total deductions and then return to membership service would be required to purchase their military service based upon ten percent of their compensation when they re-enter service even if they re-purchase their prior service.

JJM/sjk
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Attachment

COMMONWEALTH OF MASSACHUSETTS
CONTRIBUTORY RETIREMENT APPEAL BOARD

THOMAS MCFARLAND
Appellant

v.

STATE BOARD OF RETIREMENT
Appellee
No CR-96-922

DECISION

December 20, 1996

The appeal of Thomas McFarland from a decision of the State Retirement Board denying his request to buy back creditable service as a veteran based upon his annual salary in 1977, when he became a member of the Hampden County Retirement System, was heard by the Division of Administrative Law Appeals.

The DECISION of the Administrative Magistrate is incorporated herein by reference and its Findings of Fact 1 - 14 are adopted by this Board as our own.

Chapter 71, § 2, of the Acts of 1996, as amended by St. 1996, c. 188, permits veterans to obtain credit towards their retirement from public employment based upon their length of

active service in the military. The Board recognizes, however, that to the extent this result does not provide adequate reimbursement to the governmental unit responsible for payment of the veterans pension, it raises serious questions of public policy, which the Legislature should address.

The decision of the Appellee is, therefore, reversed. The matter is remanded to the Appellee for further proceedings consistent with this DECISION.

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION By:

Did Not Participate

Joseph I. Martin, Esquire
Executive Director's Designee

Joann E. Flaminio
Governor's Appointee

Rosemary S. Gale
Assistant Attorney General
Acting Chairperson